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FOR NEA/FO - CATALANO AND ISN/RA - NEPHEW

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TAGS: [PREL](#) [IR](#)
SUBJECT: AUSTRIAN MFA ON IRAN NUCLEAR STEPS

REF: STATE 120288

Classified By: Econ/Pol Counselor Dean Yap. Reason: 1.4(b) and (d)

¶1. (C) Summary. In a meeting with Econ/Pol Counselor, MFA Middle East Deputy Director Meran called into question the utility of sanctions as a next step in dealing with Iran's nuclear program. Without contesting the lack of a positive Iranian response to U.S./P-5 1 initiatives over the last year, Meran still pressed for an approach that would focus on presenting more "grand bargain" proposals to Iran. Econ/Pol Counselor noted that diplomatic exchanges would continue, but that there was a growing conviction in the USG that greater pressure was needed and that time was not in favor of a peaceful resolution. Meran agreed that the possibility of averting a forceful resolution to the issue was a strong argument in favor of sanctions. Note: Meran is not an authoritative contact. Other MFA officials have taken a more open stance on possible sanctions. End Summary.

¶2. (C) In a Nov. 25 meeting with Meran, also attended by Americas Dept. Director Rauscher and IAEA Unit Chief Sturm, Econ/Pol Couns delivered reftel message, emphasizing that the challenge for Austria would be to participate constructively in a sanctions discussion outside the UNSC framework. Meran confirmed that the GoA would have no problem accepting sanctions agreed at the UNSC. Moreover, Austria would also accept sanctions agreed at the EU level. As to national sanctions, Meran stressed that Austrian law requires a lengthy process before they could be implemented.

¶3. (C) Meran then began to argue that sanctions could not be effective because of Iranian domestic support for the nuclear program, the likelihood that Iranian political and security elites could personally benefit from sanctions-busting efforts (i.e., as smugglers), the ability of China, Russia or others to fill in any gaps caused by western sanctions, etc. Econ/Pol Chief refuted these arguments and stressed that the continuation of Iran's program over time increased the chances of a violent exchange that would undermine all western diplomatic efforts in southwest Asia. Meran acknowledged the validity of this argument, but pressed rather for the P-5 1 to continue offering Iran proposals that could lead to a "grand bargain." Econ/Pol Couns emphasized that diplomatic efforts to find a solution would continue (provided Iran were willing to meet) and that one role of sanctions would be to increase Iran's incentives to negotiate seriously.

¶4. (C) Meran reported that the EU will begin a discussion of sanctions in December, based on a concept paper now being completed in Brussels. He did not indicate what Austria's position would be in those discussions.

¶5. (C) Comment. Meran's opposition to sanctions is heard in many parts of the Foreign Ministry, but is not definitive. Meran's superior, Middle East Director Stift (on travel and unavailable), is himself more positive about the likelihood of Austria joining a sanctions effort. The Austrians are

also under considerable pressure from the French and British, and possibly the Germans, to accept the concept of an autonomous EU sanctions regime. On the other hand, the belief that sanctions are an undiplomatic escalation likely to prove ineffective and perhaps even counter-productive is widespread in Austria. This view of sanctions is not a matter of lack of information, but of orientation. Embassy believes this can be changed, but as the conversation with Meran indicates, it will not be a swift or easy process. End Comment.

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